IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

WEDNESDAY, THE TWENTY THIRD DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE D.S.R.VARMA

WRIT PETITION NO : 6011 of 2005

Between:

A. Madhavi, w/o. Babu Rao,
R/o. 5-47-3, chandanagar, \Sherilingampalli Mandal,
R.R.District.

..... PETITIONER

AND

1 The Prudential Co-Operative Bank Ltd., Rashtrapathi Road, Secunderabad, A.P., rep. by its Managing Director.
2 The District Co-Operative Officer, Hyderabad (urban) Dist, Hyderabad.
3 The Reserve Ban of India, Hyderabad.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to Issue a writ of mandamus or any other appropriate writ, order or direction directing the Respondents to furnish the petitioner the particulars of loan amount due by the petitioner including interest towards LFNo.48/280 forthwith by declaring the sale notice issued in E.P.208/2003, dt. 11.1.2005 as arbitrary, illegal and contrary to the guidelines issued by the 3rd respondent herein and pass such other order or orders.

Counsel for the Petitioner: MR.T.NIRANJAN REDDY

Counsel for the Respondent No.2: GP FOR COOPERATION

Counsel for the Respondent No. 3: Mr. K. S.Murthy.

The Court at the stage of admission made the following :

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ORDER:.

Heard both sides and at their request, this Writ Petition is taken up for disposal at the stage of admission.

In this Writ Petition, the grievance of the petitioner is that the respondent-Bank is imposing penal interest on the penal interest and as a result of which, the amounts payable by the petitioner to the respondent-Bank have bulged disproportionately.

Facts not in dispute are that the petitioner is a lonee and a defaulter. There was a demand made by the respondent-Bank to repay the amounts due. Since there was no proper response by the petitioner, the respondent-Bank had sought to bring the properties of the petitioner to sale. At that point of time, the petitioner appears to have realized that there was a discrepancy in the calculation of interest. It further appears that the penal interest had been imposed as permitted and after ascertainment of the loan amount finally, again on the said amount, further penal interest had been imposed, which according to the learned counsel appearing for the petitioner is contrary to the principles laid down by the Supreme Court reported in CENTRAL BANK OF INDIA VS. RAVINDER AND OTEHRS.

What all now sought by the petitioner is to furnish particulars so as to enable him to respond in an appropriate manner after ascertainment of exact amounts to be paid. If the amount assessed by the Bank is correct and not violative of principles laid down by the Supreme Court in the judgment referred supra, the petitioner cannot raise any objection except to pay the amounts back or to allow the respondent to proceed with the sale of the property.

For the aforementioned reasons, I feel it expedient to dispose of the Writ Petition with a direction to the respondents to furnish all particulars viz., on what basis the amounts had been ascertained, to the petitioner. In other words, the respondents shall prepare a statement as regards the periods for which the

petitioner was due to the respondent, the extent of due, the penal interest imposed and further penal interest imposed, if any, and the total sum arrived at. The said exercise has to be completed within a period of three weeks from the date of receipt of a copy of this order. In the meanwhile, the impugned proceedings of sale notice dated 11.1.2005 shall remain stayed, subject to the condition of the petitioner depositing a sum of Rs. 3,00,000/- (Rupees Three Lakhs Only) within a period of six weeks from today. In default, the respondent is permitted to proceed in accordance with law. No costs.

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D.S.R. VARMA, J

DATED: 23.03.2005

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1 The Prudential Co-Operative Bank Ltd., Rashtrapathi Road, Secunderabad, A.P., rep. by its Managing Director.
2 The District Co-Operative Officer, Hyderabad (urban) Dist, Hyderabad.
3 The Reserve Ban of India, Hyderabad.

4. Two CCs to G.P. for Cooperatives, High Court of A.P., Hyderabad. (OUT).

5. CD copies.